DEPARTMENT OF THE NAVY
SPACE AND NAVAL WARFARE SYSTEMS COMMAND
WASHINGTON, D.C. 20363-5100

SPAWARINST 4570.2A
SPAWAR 821
8 April 1986

SPAWAR INSTRUCTION 4570.2A

From: Commander, Space and Naval Warfare Systems Command

Subj: RECOVERY AND UTILIZATION OF PRECIOUS METALS

Ref: (a) DODD 4160.22 of 1 December 1976, Subj: Recovery and Utilization of Precious Metals
(b) DOD 4160.21-M of Sep 1982, Defense Utilization and Disposal Manual
(c) NAVSUPINST 4570.23 of 9 November 1983, Subj: Recovery and Utilization of Precious Metals
(d) NAVSUP PUB 437 MILSTRIP/MILSTRAP
(e) Defense Acquisition Regulation, Section 24

Encl: (1) Precious Metals Area Respresentatives (R)
(2) Precious Metal-Bearing Items (R)
(3) Precious Metal Scrap Recovery Percentages (R)
(4) Precious Metal Indicator Codes (A)
(5) Provisions to be included in Procurements Requiring Precious Metal (w/attachments) (R)
(6) Precious Metals Nomenclatures and NSNs

1. Purpose. To establish procedures within the Space and Naval Warfare Systems Command Headquarters and its field activities for the recovery and utilization of precious metals (gold, silver, platinim, palladium, iridium, rhodium, osmium, and ruthenium).

2. Cancellation. NAVELEXINST 4570.2 of 21 July 1983 is cancelled by this instruction.

3. Background. The DoD Precious Metals Recovery Program (PMRP) is an expansion of the DoD Silver Recovery Program previously administered by the Naval Ordnance Systems Command and now operated by the Defense Logistics Agency (DLA). The PMRP promotes the economic recovery of precious metals from excess and surplus precious metal-bearing materials, and also the use of recovered precious metal for authorized internal purposes or as Government Furnished Material (GFM). Refined metals recovered through the program are available for the cost of recovery plus an authorized administrative surcharge. These costs are much less than the open market price of the metal. The (R)
responsibility for day-to-day operation of the recovery aspects of the program is vested in the Defense Reutilization and Marketing Regions (DRMR) with technical support provided by the Precious Metals Area Representatives (PMARs) listed in enclosure (1). The Defense Industrial Supply Center (DISC) is the integrated manager for precious metals and has responsibility for the storage and issue of refined precious metals. Within the Navy, the Naval Supply Systems Command has been delegated responsibility for the PMRP.

4. Policy

a. It is the policy of the Commander, Space and Naval Warfare Systems Command (SPAWAR) to participate in the PMRP for SPAWAR Headquarters and SPAWAR field activities. (R)

b. Reutilization of excess precious metal-bearing items will take precedence over precious metals recovery.

c. SPAWAR Headquarters and Field Activities

(1) Ensure proper identification, recovery and turn-in of precious metal-bearing excess or scrap material, or precious metal-bearing residue of chemical or industrial operations.

(2) Purchase precious metals on the open market only if the metals are not available from the Government. All activities requiring precious metals must query DLA for the availability of stocks of precious metals recovered under the PMRP. Activities must utilize these stocks to the maximum extent practicable. (R)

5. Procedures

a. Identification. SPAWAR activities shall identify all excess and scrap materials which contain precious metals. Enclosure (2) provides general information on precious metal-bearing items and examples of scrap containing platinum, palladium, and combinations of precious metals. Common silver and gold-bearing scrap designations and the scrap recovery percentages are described in enclosure (3). In addition, National Stock Number (NSN) items which contain potentially recoverable precious metals (PMMF) are coded in the Management List-Navy (ML-N) and in the Precious Metals Master File with a Precious Metals Indicator Code (PMIC). In order for the PMIC to be listed in the ML-N and PMMF, a PMIC shall be assigned to all items during the NSN cataloging assignment. PMICs are provided in enclosure (4). (R)

b. Turn-in. SPAWAR activities shall account for, and turn-in excess precious metals-bearing property scrap and waste material containing precious metals to their servicing Defense Reutilization and Marketing Office (DRMO formally DPDO) according to MILSTRIP turn-in procedures. The Disposal Turn-In Document (DTID) or attached documentation will include any available information pertaining to the precious metals content (i.e. metal type, quantity, location within the item, etc.) of scrap material or non-standard items being turned in. Precious metal-bearing scrap and waste material shall be segregated from non-precious metal-bearing material prior to turn-in to the DRMO. Suitable controls against loss by theft will be established and a locked storage area with limited access will be provided. The PMIC is a mandatory entry on all disposal related MILSTRIP documents. (R)

c. Recovery Equipment. Where cost effective, recovery equipment shall be operated on-site. Field Activities generating significant quantities of precious metal-bearing scrap and waste shall contact the PMAR in their area for guidance in obtaining and operating recovery equipment.

d. Transportation

(1) Transportation, packaging, crating, and handling costs incurred in the shipment or transfer of precious metal-bearing material from a generating activity to a DRMR will be borne by the generating activity. Transportation costs incurred in making DRMR authorized shipments of precious metal-bearing material from a generating activity direct to a designated collection/recovery activity or contractor facility will be accomplished using the appropriate fund citation obtained from the servicing DRMR.

(2) Activities moving precious metal-bearing material will forward two copies of all shipping documents to the Commander, DRMR, Federal Center, Battle Creek, Michigan 49106 (ATTN: DRMR-CF). (R)

(3) Documentation of shipments of precious metal-bearing material will show the net avoirdupois weight (in pounds and decimals of a pound) or material shipped. Shipping documents will identify the contents of each container. (Two advance copies of each shipping document will be forwarded to the designated collection/recovery facility if for segragated precious metals). Care will be exercised to use secure, nonporous containers (glass not acceptable) when shipping precious metal-bearing material. Paper or wooden containers will not normally be used to ship material that may be susceptible to loss through particle adhesion. All reasonable care will be taken in the packing of material for shipment so as to minimize the possibility of theft or loss through leakage or container damage. Shipments will be made by the most economical means available that is consistent with safe transit and delivery. Parcel post shipments will be registered.

e. Utilization

(1) Requirements for precious metals or precious metal-bearing material shall be screened against the DISC inventory of government-owned assets of precious metals and these assets shall be utilized as GFM in production contracts where such action is more advantageous to the Government. The provisions in enclosure (5) are to be included in procurements requiring precious metals. (R)

(2) The inventory manager at DISC should be interrogated by telephone on A/V 442-3045/3006 or commercially (215) 697-3045/3006, prior to requisitioning in order to verify asset availability, obtain the latest price, and to allow DISC to reserve specific assets.

(3) The Government Furnished Material (GFM) precious metals listed in enclosure (6) can be obtained by forwarding a funded requisition to the Defense Industrial Supply Center, Philadelphia, PA., 19111, ATTN: Code ODBA, according to with MILSTRIP procedures. The following information should be included in remarks:

(a) Precise "Ship to" address (building, office, and individual) where the precious metal is to be delivered. (Most shipments are by armored van so an accurate address including the zip code is required.)

(b) Contract number that GFM precious metal will be applied against. (Necessary for control and audit purposes.)

(c) The end item application and the number of Troy Ounces (TO) of precious metals per end item (this information will assist DISC in attempting to identify as many items in the Government inventory as possible which contain precious metal to ensure recovery of the metal when the material is disposed of).

(d) Specific contact point at requesting activity, including name, office code, and telephone number.

(4) It is the responsibility of the procuring activity to furnish prompt disposition instructions to contractors when residual precious metals are reported on hand by the contractor after completion of the contract.

6. Action

a. SPAWAR Headquarters and Field Activities will comply with the procedures of the instruction and references (a) through (f).

b. SPAWAR Field Activities will

(1) Designate a Precious Metals Coordinator (PMC) to be responsible for identification, control, recovery, and utilization of precious metals within the activity. Provide name, code, and telephone number (commercial and AUTOVON) of PMRP Coordinator to SPAWAR 821 in a letter. (R)

(2) Establish a Command Precious Metals Recovery Program which include the following:

(a) Publication of a PMRP instruction within 60 days of receipt of this instruction. (A)

(b) Procedures for the collection of all sensitized photographic and X-ray material scrap (including both processed and unprocessed materials), as well as recovered silver from photographic solutions for turn-in to servicing DRMO or for shipment to a designated collection or recovery point. (A)

(c) Ensuring that precious metals-bearing items such as expended or outdated silver or silver oxide batteries or any item identified as such by a PMIC are not discarded but collected, secured, segregated, and turned-in for recovery of the precious metals as described above. (A)

(d) Limiting the storage of excess precious metals-bearing items and scrap to a maximum period of 30 days. (A)

(e) Operating and maintaining assigned recovery equipment. Providing a notification of and receipt for all such equipment to SPAWAR 821. (A)

(f) Securing training for personnel involved in the operation of the recovery equipment and in the handling of recovered precious metals. These requirements and training received should be provided to SPAWAR 821. (A)

(g) Establishing and maintaining physical security and audit trail procedures for recovered precious metals, from the point of origin to the DRMR, Postal Service, or public carrier, as appropriate. Obtaining a signed receipt for all turn-ins from the DRMR, Post Office, or public carrier, as appropriate, and maintaining a file of those receipts for a period of 2 years. Forward a copy of each receipt to SPAWAR 821 on a quarterly basis (October 1, January 1, April 1, and July 1). (A)

(h) The disposal turn-in document for all precious metal-bearing items must include any available information pertaining to the material turned in. The PMIC is a mandatory entry, if it is not listed in the Navy records use enclosure (4) to assign an appropriate code. (A)

(i) Informing the DRMR or PMAR of local requirements for equipment, major maintenance, spare parts, or supplies in accordance with enclosure (2). (A)

c. SPAWAR 821 is the SPAWAR PMRP Coordinator and shall monitor and provide policy and guidance for the conduct of the program. The PMRP Coordinator will conduct periodic reviews of the procedures employed at SPAWAR Field Activities to ensure the program is functioning according to Navy directives. These visits will be conducted on a semiannual basis. (R)

Glenwood Clark

GLENWOOD CLARK

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SPAWAR List 3

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PMAR LOCATIONS AND AREAS OF RESPONSIBILITY

ADDRESS/TELEPHONE	AREAS COVERED STATES	DPDOs
Defense Reutilization and Marketing Office (DRMO)		
DRMO Belvoir Attn: PMAR Bldg. 2517 Ft. Belvoir, VA 22060 AV 354-6551 AC 703-664-6551	Maryland Virginia (Partial) Washington DC Delaware Pennsylvania (Eastern)	Aberdeen Brandywine Meade Belvoir (Only) Dover Tobyhanna Philadelphia
DRMO Attn: PMAR Bldg. 314 Navy Construction Battalion Ctr. Davisville, RI 02854 AV 948-6464/6213 AC 401-267-2464/2213	Massachusetts Maine New Jersey New York New Hampshire Rhode Island Vermont Connecticut Greenland Canada	Ayer Chicopee Falls Brunswick Limestone Bayonne Lakehurst Plattsburg Rome Watervliet Portsmouth Davisville Groton Thule
DRMO Attn: PMAR Bldg. SDA-211, South Annex Norfolk, VA 23511 AV 564-1318/5827 AC 804-444-1318/5827	Virginia (Partial) West Virginia Bermuda Cuba	Norfolk Richmond Williamsburg Bermuda Guantanamo Bay
DRMO Wright-Patterson Attn: PMAR Bldg. 89, Area C Wright-Patterson AFB, OH 45433 AV 787-4218/4291 AC 513-225-4218/4291	Indiana Pennsylvania (Western) Ohio Michigan (Lower)	Crane Indianapolis Chambersburg Mechanicsburg Columbus Wright-Patterson Detroit Wurtsmith

AREAS COVERED

ADDRESS/TELEPHONE	STATES	DPDOs
DRMO Charleston Attn: PMAR P.O. Box 5715 North Charleston, SC 29406 AV 794-3270 AC 803-743-3270	Georgia	Albany Benning Gordon Stewart Warner-Robins
	South Carolina	Charleston Jackson
	North Carolina	Bragg Cherry Point Camp LeJeune
DRMO Rock Island Attn: PMAR Bldg. 154 Rock Island, IL 61299 AV 793-3954 AC 309-782-3954	Illinois	Chanute Great Lakes Rock Island Scott
	Kansas	Riley
	Wisconsin	Sparta
	Iowa	
	Missouri	Leonard Wood Whiteman
	Minnesota	Duluth
	Nebraska	Offutt
	Michigan (Upper)	Sawyer
DRMO San Antonio Attn: PMAR Bldg 3050, East Kelly Kelly AFB, TX 78241 AV 945-5646 AC 512-925-5646	Texas (Partial)	Carswell Corpus Christi Dyess Hood San Antonio Sheppard Texarkana
	Oklahoma	Sill McAlester Oklahoma City
	Louisiana	Barksdale Polk
3415/ABC/DPDR/ORO Attn: PMAR Lowry AFB, CO 80230 AV 926-2019 AC 303-370-2019	Texas (Partial) Colorado New Mexico	Bliss Colorado Springs Kirtland Cannon
		Holloman
	South Dakota Wyoming	Ellsworth

AREAS COVERED

ADDRESS/TELEPHONE	STATES	DPDOs
Defense Reutilization and Marketing Office (DRMO)		
DRMO Attn: PMAR Bldg. 685 North U.S. Naval Air Station Pensacola, FL 32508 AV 922-4114 AC 904-452-4224	Florida	Eglin Homestead Jacksonville Key West Orlando Patrick Tampa Pensacola
	Alabama	Anniston Huntsville Montgomery Rucker
	Mississippi	Keesler Columbus
DRMO Attn: PMAR OSB Puget Sound Naval Shipyard Bldg. 210 Bremerton, WA 98314-5220 AV 439-8618 AC 206-476-8618	Washington North Dakota Montana Oregon (Northern) Alaska Idaho (Northern)	Lewis Minot Grand Forks Great Falls Fairbanks Anchorage
DRMO Attn: PMAR C/O Postal Directory Bldg 18 NAS, Alameda, CA 94501 AV 686-3660 AC 415-869-3660	California (Northern) Mare Island Moffett Field Nevada (Northern) Idaho (Southern) Oregon (Southern) Utah	McClellan Alameda Ord Mountain Home Tooele Hill
DRMO Attn: PMAR Bldg. 290, Box 78 NAS, North Island, CA 92135 AV 951-5542 AC 619-437-5542	California (Southern) Nevada (Southern) Arizona	San Diego Port Hueneme Norton Barstow Pendleton El Toro Nellis Luke Tucson

ADDRESS/TELEPHONE	AREAS COVERED: STATES	AREAS COVERED: DPDOs
DRMO - Memphis-MRO Attn: PMAR Defense Depot Memphis 2163 Airways Blvd. Memphis, TN 38114 AV 683-6688 AC 901-775-6688	Panama Puerto Rico Kentucky Arkansas Tennessee	Panama Roosevelt Roads Campbell Knox Lexington Little Rock Memphis
DRMO Attn: PMAR Bldg. B-04 Lindsey Air Station APO New York 09633	Europe-Wide	
DRMO - PAC South Liaison Office Attn: PMAR Box 40 FPO San Francisco 96651-1521	Philippines Australia Thailand	Subic Bay Australia Thailand
DRMO - PAC North Liaison Office USAGY, Attn: PMAR APO San Francisco 96301-0433	Japan Korea	Sagami Okinawa Bupyong Pusan
DRMO - PAC Attn: DPDR-PR (PMAR) Camp H.M. Smith, HI 96861	Guam Hawaii	Guam Hawaii

PRECIOUS METAL-BEARING ITEMS

1. GENERAL. Precious metals-bearing items, residue, and material include but are not limited to: gold, silver, platinum, and the platinum group from prosthetic appliances; gold, silver, platinum, and platinum group grindings and dust; gold or silver lined, clad or plated decorations, badges, awards, medals, buttons, and other insignia; silver batteries, silver and gold wire; platinum and palladium wire; silver and gold turnings; spent hypo (fixer) solutions, exposed silver-bearing film/paper regardless of format or condition; unexposed outdated film/paper; dental amalgam scrap; electrical and electronic hardware containing gold, silver, platinum, or any of the platinum group metals; microfilm masters and reproducing paper; precious metals-bearing solutions such as silver nitrate; disposable EKG electrodes.

2. National Stock Number (NSN) items which contain potentially recoverable precious metals are coded in the Navy Master Data List (NMDL) under the Precious Metal Indicator (PMI).

3. SCRAP SOURCES:

A. Silver Bearing Materials:

Anodes
Assemblies - Electrical
Silver/Copper Batteries
Silver/Cadmium Batteries
Silver/Zinc Batteries
Silver/Magnesium Batteries
Blanking Scrap - Punchings
Brazing Alloys
Brushes - Electrical Motors
Bullion
Chemical Salts
Clad Bi-Metal Parts
Coin Silver
Contacts
Dental Amalgam
Film
  Industrial X-ray
  Medical X-ray
  Lithographic
  Photographic Negatives
Filters - Plating
Flake - From Hypo Solution
  Recovery Systems
Hooks - Plating - Nodules
Jewelry Sweeps
Paints - Paste
Paper - Reproduction
Plated Parts - Electrical
  -Electronic

Gold Bearing Materials:

Brazing Alloys
Clad Metal Parts
Electrical Contacts Dental Alloys
Dental Scrap
Dental Sweeps and Grindings
Diodes
Filled Scrap
Filters - Plating
  Flakes
  Flashings
  Foil
  Hook - Plating - Nodules
  Jewelry Scrap
  Jewelry Sweeps and Grindings
  Paints and Paste
  Peelings
  Placer Gold
  Plated Parts - Electrical
  Plate Wire
  Powders
  Printed Circuit Boards
  Printed Circuit Boards
    with Components
  Punchouts
  Resins - Plating
  Salts - Chemical
  Sludges - Plating
  Solutions
  Sponge

A. Silver Bearing Materials:
Continued

Plated Serving Pieces
Plated Utensils
Plated Wire
Powders - Granulated
Punchouts
Relays - Electrical
Resins
Silver Lined Bearings -
Diesel Locomotives and Aircraft
Sludges - Plating and Precipitates
Solutions - Plating
Sterling Silver
Tin Lead Alloys - Contaminated
Turnings
Wave Guides
Wiping Rags

B. Gold Bearing Materials:
Continued

Tin Lead Alloys -
Contaminated
Transistors
Wiping Rags
Wire

C. Platinum Bearing Materials:

Catalysts
Chemicals
Clad Materials
Contacts
Dental Alloys
Dental Scrap
Dental Sweeps and Grindings
Jewelry Scraps
Jewelry Sweeps
Laboratory Ware
Magneto Points
Powders and Paste
Solutions - Plating
Spark Plugs - Aircraft
Thermocouple Wire

D. Palladium Bearing Materials:

Catalysts
Clad Materials
Contact Points
Dental Alloys
Dental Scraps
Dental Sweeps
Jewelry Scrap (Sweeps)
Paste
Plated Parts
Powders
Relays - Electrical
Salts - Chemicals
Sludges
Solutions
Wire

E. Scrap Containing Combinations of Precious Metals
(Gold, Silver, Platinum, and Palladium):

Assemblies - Components
Bullion
Carbon
Catalysts
Chemicals
Chips
Drillings
Electronic Scrap
High Temperature Resistant Alloys
Paints
Paste

E. Scrap Containing Combinations of Precious Metals (Gold, Silver, Platinum, and Palladium): (Continued)

Powders
Relays - Electrical
Resins
Ribbons
Rings
Salts
Solutions
Sweeps
Telephone Switching Scrap
Thick Film
Wire

4. SCRAP CATEGORIES

A. Solutions
   1. Acid
   2. Basic
   3. Matrix if Known
B. Resin
C. Sludges
D. Burnable Material
   1. Carbon
   2. Filters
   3. Film
   4. Papers
   5. Unprepared Sweeps
   6. Others
E. Sweeps (Prepared)
F. Printed Circuit Boards
   1. Punch Outs
   2. Non Assembled
   3. Assembled
   4. Other
G. Glass to Metal Tubes, etc.
   1. Solid Precious Metal Parts
   2. Alloyed Metal Parts
   3. Plated Metal Parts
   4. Ceramics
   5. Thick Film
   6. Other
H. Metal Scrap
   1. Non Magnetic
      a. Impure Gold
      b. Impure Silver
      c. Copper Base
      d. Aluminum Base
      e. Brass Base
      f. Bronze Base
      g. Molybdenum Base
      h. Beryllium Base
      i. Lead Base
      j. Tin Base
      k. Other
   2. Magnetic
      a. Kovar Base
      b. Stainless Steel Base
      c. Iron Base
      d. Nickel Base
      e. Other
I. Catalyst
   1. Carbon
   2. Alumina
   3. Rare Earth
   4. Silica
   5. Other

PRECIOUS METAL SCRAP RECOVERY PERCENTAGES

A. Silver Bearing Scrap Designations

	Estimated Gold Percentage (by Weight in Pounds)	Conversion Fac Pounds to Troy Ounces of Anticipated Precious Metal (See Note)
1. Used anodes, drillings from anodes and grain silver, wire for welding or brazing, silver flakes, silver extracted from spent hypo solution by the electrolytic process and all other silver of a purity content of 90 percent or better	90%	(13.13)
2. Silver foil battery plates separated by magnesium plates and silver chloride sheets (primarily MK 61-0 - MK 67-1 batteries)	41%	(5.98)
3. X-ray film, exposed industrial film and aerial film, millimeter film, and all types of shredded or cut-up film	1%	(0.15)
4. Battery cell sections consisting of a plastic container (approximately 1/8" thick), some cells containing a silver chloride solution. (Primarily MK 53-0, 42-0, 58-0, and 66-0 batteries)	15%	(2.22)
5. Silver bearing amalgam	24%	(3.50)
6. Silver bearing plated electrical components such as leads, capacitors, and other silver plated or bonded materials	4%	(.58)
7. Silver sludge and silver bearing ash	22%	(3.21)
8. Silver bearing missile batteries encapsulated in epoxy type plastic with metal cases and attachments	10%	(1.46)
9. Silver recovery cartridge consisting of a spun metallic filter through which spent hypo solution has been filtered	4%	(.58)
10. Desalter kits	24%	(3.50)

B. Gold Bearing Scrap Designations

Description	Estimated Gold Percentage (by Weight in Pounds)	Conversion Fac Pounds to Troy Ounces of Anticipated Precious Metal (See Note)
1. Dental scrap	40.00%	5.8332
2. Metallic (foil, leaf, wire, casting, and brazing alloy)	65.00%	9.4790
3. Dental Sweepings	15.00%	2.187
4. Electronic scrap (plated or washed	0.40%	0.058
5. Integrated circuits/assy & pins (not boards or transistors) (pins are ferro magnetic)	12.00%	1.750
6. Electronic circuits/assy & strips	6.50%	0.947
7. Electronic hardware, pins & connectors	0.60%	0.087
8. Rivets (gold plated)	0.50%	0.072
9. Electronic Chassis parts	0.20%	0.029
10. Eyeglass frames (gold filled)	4.00%	0.583
11. Buttons	0.90%	0.131
12. Insignia & Medals	0.10%	0.014
13. Gold solutions, 8.3 lb. per gl. (.7 T.O. per gl.)	0.60%	0.875

Note: Conversion factors shown in parentheses when used as multipliers applied to the number of avoirdupois pounds of scrap will produce a reasonably accurate estimate of the silver or gold content equated to troy ounces. Wright conversion factors are only required for segregated precious metal turn ins.

PRECIOUS METALS INDICATOR CODES (PMICs)

PMIC	TYPE PRECIOUS METAL		CONTENT VALUE
A	No known Precious Metal.		None
B	Item is known to contain Precious Metal(s) but the amount(s) are unknown.		
C	Presence or absence of Precious Metals varies between items of production for the same item of supply.		
D	Silver		Equals 15 grams or more.
E	Silver		Less than 15 grams.
F	Gold		Equals 10 grams or more.
G	Gold		Less than 10 grams.
H	Platinum	Note 1	Equals 10 grams or more.
I	Platinum		Less than 10 grams.
J	Palladium		Equals 5 grams or more.
K	Palladium		Less than 5 grams.
L	Iridium		Equals 20 grams or more.
M	Iridium		Less than 20 grams.
N	Rhodium		Equals 15 grams or more.
O	Rhodium		Less than 15 grams.
P	Osmium		Equals 10 grams or more.
Q	Osmium		Less than 10 grams.
R	Ruthenium		Equals 10 grams or more.
S	Ruthenium		Less than 10 grams.
T	Silver-Gold		Combination equals 15 grams or more.
U	Silver-Gold		Combination contains less than 15 grams.
V	Silver-Platinum Family		Combination equals 15 grams or more.
W	Silver-Platinum Family		Combination contains less than 15 grams.
X	Silver-Gold-Platinum Family		Combination equals 15 grams or more.
Y	Silver-Gold-Platinum Family	Note 1	Combination contains less than 15 grams.

PROVISIONS TO BE INCLUDED IN PROCUREMENTS REQUIRING PRECIOUS METALS

1. Include a provision in the solicitation advising potential bidders/offerors of the Government's intent to furnish precious metal in the amount required for contract performance as GFM. Bidders/offerors are to specify the type and amount of precious metals required. See attachment (1) for suggested clause.

2. In order to preclude any competitive advantage in those situations where bidders/offerors will require varying amounts of precious metals due to design differences, include a provision for evaluation of bids/offers when GFM precious metal is available. It is recommended that the recovery cost of the Government furnished precious metal be added to the bids/offers for evaluation purposes.

3. Include a provision to obtain necessary information for the shipment of GFM precious metal. See attachment (2) for suggested clause.

4. Include FAC clause 52.247.55 FOB Point for Delivery of Government Furnished Property and an appropriate Government Furnished Property Clause. These clauses are to be applicable in the event of award on GFM basis.

SUGGESTED CLAUSE: NOTICE OF INTENT TO FURNISH PRECIOUS METALS AS GOVERNMENT FURNISHED MATERIAL (GFM)

1. It is the Government's intent to furnish to the Contractor the precious metal required (as indicated in paragraph 2 below) for the performance of this contract pursuant to the clause in this contract entitled "Government Furnished Property." Such precious metals will be furnished in bullion or granular form for silver and granular or sponge form for the other precious metals.

2. The bidder or offeror shall insert in the space provided, the quantity of precious metal (in troy ounces) required to perform the contract (including precious metal required for any first article or production sample).

Silver required: _____ troy ounces

Gold required: _____ troy ounces

Platinum required: _____ troy ounces

Palladium required: _____ troy ounces

Rhodium required: _____ troy ounces

Iridium required: _____ troy ounces

Ruthenium required: _____ troy ounces

Osmium required: _____ troy ounces

3. If no quantity is inserted in paragraph (2) above, it will be assumed that the bidder or offeror will require no precious metal for the performance of this contract.

4. For evaluation purposes, the total cost of the precious metal (determined by multiplying the quantity inserted by the bidder or offeror in paragraph (b) above by the current precious metal cost per troy ounce) shall be added to each bid or offer submitted hereunder.

5. The contractor shall be responsible for, and shall bear the cost of, procuring in the open market such quantities of precious metals, if any in excess of the quantity furnished by the Government necessary for performance of the contract. Such excess quantities will not be available for purchase from the Government.

6. Upon completion of the contract, the contractor shall return to the Government any Government furnished precious metal (including scrap residue) not used in the performance of the contract or credit the Government for the unused portion at the current market rate or the market rate at the time the precious metals were furnished, whichever is greater.

7. Government furnished material shall be delivered at or near Contractor's plant under Government Bills of Lading, free of expense to the Contractor, on board the conveyance selected by the Government with _____ days from date of contract to Defense Contract Administration Services representative specified in the contract in care of contractor's plant at _____

_____

_____

_____

(Contractor to insert city or town in which plant is located and exact location of private siding or public team track at which rail shipments will be received, together with the name of railroad(s) serving and the exact location including the name of the street or highway at which tract shipments will be received).

When rail delivery is designated by the Government as the mode of transportation and drayage from a team track to the Contractor's plant is necessary, the Contractor agrees to arrange for prompt unloading of cars, pickup, and delivery of material to the plant free of expense to the Government. Such material shall be subject to the clause of this contract entitled "Applicable Government Property Clause."

GOVERNMENT-FURNISHED PROPERTY - MATERIAL

1. It is the Government's intent to furnish to the Contractor for use in connection with this contract the material(s) set forth below:

Description	Quantity
Fine Silver (Bullion or Granular)	(To be completed by bidder/offeror)
Gold (Granular)	(To be completed by bidder/offeror)
Platinum (Granular or sponge)	(To be completed by bidder/offeror)
Palladium (Granular or sponge)	(To be completed by bidder/offeror)
Rhodium	(To be completed by bidder/offeror)
Iridium	(To be completed by bidder/offeror)
Ruthenium	(To be completed by bidder/offeror)

2. Only the material listed above in the quantity shown will be furnished by the Government subject to availability from the DOD Precious Metals Recovery Program. All other material required in the performance of this contract shall be furnished by the Contractor. Such Government-furnished material shall be delivered at or near Contractor's plant under Government Bills of Lading, free of expense to the Contractor, on board the conveyance selected by the Government within_____days from date of contract to Defense Contract Administration Services representative specified in the contract in care of Contractor's plant at_____
Contractor to insert city or town in which plant is located and exact location of private siding or public team track at which rail shipments will be received, together with the name of railroad(s) serving and the exact location including the name of the street or highway at which truck shipments will be received.

When rail delivery is designated by the Government as the mode of transportation and drayage from a team track to the Contractor's plant is necessary, the Contractor agrees to arrange for prompt unloading of cars, pickup, and delivery of material to his plant free of expense to the Government. Such material shall be subject to the clause of this contract entitled "_____".

- Applicable government property Clause

PRECIOUS METALS NOMENCLATURES AND NSNS

NOMENCLATURE	NSN
GOLD	9660-00-042-7733
SILVER	9660-00-106-9432
PLATINUM GRANULES	9660-00-042-7768
PLATINUM SPONGE	9660-00-151-4050
PLATINUM GRANULES	9660-00-042-7765
PALLADIUM SPONGE	9660-01-039-0320
RHODIUM	9660-01-010-2625
IRIDIUM	9660-01-011-1937
RUTHENIUM	9660-01-039-0313